Title: **TPCP Payments and Refunds**

Session: **R-2-0800**

Objectives

- Why a payment should be refunded
- How to process the different types of refunds
- How to handle a refund request

Why a Payment Should Be Refunded

- A single payment is received, not yours, patient not treated in your MTF

- One or more payments on a large Explanation of Benefits (EOB) that do not belong to the MTF or cannot be posted

- Payment received exceeds the amount billed

- Payment received from RX/medical carrier after another payment was already posted to the claim

- Refund request received from insurance company

- Make absolutely certain the payment does not belong to your MTF

- Create a letter addressed to the insurance company explaining the reason for the refund

- File a copy of the letter, the check, and the EOB

- Send all originals to the insurance company as soon as possible

- Again make sure the payment does not belong to you
- Create a letter addressed to the insurance company explaining the reason for the refund
- Create an SF 1034 for the refund amount
- Send the original of the letter and a copy of the check and EOB to the insurance company
- Send the original SF 1034, a copy of the letter to the insurance company, and copies of the check and EOB to DFAS for processing
- Enter the refund in a spreadsheet to track and verify the refund was processed by DFAS

- First call the insurance company to advise of the overpayment
- Verify with them what the correct copays, deductibles, and payment should be and agree on refund amount
- Create a letter to the insurance company referencing your phone call and the action taken
- Send the original letter and copy of the check and EOB to the insurance company
- Create an SF 1034 for the refund amount, send with a copy of the letter, check, and EOB to DFAS
- Scan/file a copy of all documents
- Track refund on a spreadsheet

- Because a payment was already posted in TPOCS, it will need to be refunded using the REF transaction code
- Post the correct payment from the correct check
- Find a copy of the original check, EOB, and deposit voucher for the incorrect payment
- Create and send a letter to first payer along with a copy of the first check and EOB
- Process refund through DFAS as previously described
- Scan/file a copy of all documents
- Track refund

Refund – Request From Insurance Company

- Because Human Resource (HR) managers send updates on insurance coverage once a quarter, insurance companies often make payments that later need to be refunded because coverage was cancelled or changed

- Children age out of coverage or get married

- Spouses are no longer covered due to divorce

- Care not covered on the beneficiary's policy was billed and paid in error

- In accordance with 32 CFR 220.7, Remedies and procedures: *(d) A third party payer may not, without the consent of a U.S. Government official authorized to take action under 10 U.S.C. 1095 and this part, offset or reduce any payment due under 10 U.S.C. 1095 or this part on the grounds that the payer considers itself due a refund from a facility of the Uniformed Services. A request for refund must be submitted and adjudicated separately from any other claims submitted to the third party payer under 10 U.S.C. 1095 or this part.*

- When a refund request letter is received, call the insurance company to verify the cancellation date
- Verify payment was received/posted in CHCS or TPOCS
- In TPOCS, process a REF transaction for the payment
- For inpatient in CHCS, at the Insurance Policy Claim Summary screen, select 5 – Produce Insurance Refund, type NEW, then enter the amount of the refund. The system will print an SF 1049
- Enter the verified cancellation date in the PII screen in CHCS so no future claims bill
- Remove all unbilled claims for this patient from Select Bills in TPOCS (if coverage is cancelled)

- Create a letter to the insurance company
- Send the original of the letter, a copy of the refund request letter, a copy of the check and EOB to the insurance company
- Create an SF 1034 (both inpatient and outpatient)
- Send the original SF 1034 and copies of the letter to the insurance company, refund request letter, check, and EOB to DFAS to process the refund
- Scan/file a copy of all documents
- Track the refund
- Write off the billed amount as "not covered" to close the claim

Refund – Civ ER Insurance Refunds

- You cannot generate a refund on a civilian emergency room (Civ ER) bill in CHCS
- Find the payment check, EOB, and deposit voucher, and verify the refund is warranted
- At a time when no one else will be posting payments in CHCS, verify and finalize and print your DD 1131
- Open the MSA account and enter a negative of the payment posted; the balance due should change to the billed amount; add a message to explain the action
- Verify the amount reverse-posted was correct then finalize your DD 1131 (this will NOT go to the bank)
- Create your letter and SF 1034 and process as previously described
- Re-bill entire amount to patient

Monthly Duties

- Check your finance system to find refunds that have been processed by DFAS

- Note when payments are processed on your refund spreadsheet

- Query DFAS on unpaid refund requests; don't let them get too old

- Send another copy of all documents if DFAS asks for them

- Verify the reason given for the refund is correct
- Know how to process each type of refund
- Process all refunds either throughout the month or at the end of each month
- Verify refund was processed by DFAS

Q&A

- Questions?